

MAY 27 2004

FEDERAL ELECTION COMMISSION
999 E Street N.W.
Washington, D.C. 20463

SENSITIVE

FIRST GENERAL COUNSEL'S REPORT

MUR: 5276

DATE COMPLAINT FILED: 6/17/02

DATE OF NOTIFICATION: 6/24/02

DATE ACTIVATED: 12/15/03

EXPIRATION OF STATUTE OF

LIMITATIONS: June 31, 2004 – June 1, 2007

COMPLAINANT:

Valerie M. Martin

RESPONDENTS:

Friends of Jack Machek and
Raymond Machek, as Treasurer

RELEVANT STATUTES
AND REGULATIONS:

2 U.S.C. § 433(b)

2 U.S.C. § 433(c)

2 U.S.C. § 434(b)(3)(E)

2 U.S.C. § 441b

11 C.F.R. § 102.2(a)(1)(iv)

11 C.F.R. § 102.2(a)(2)

11 C.F.R. § 104.18

INTERNAL REPORTS CHECKED: Disclosure Reports

FEDERAL AGENCIES CHECKED: None

I. INTRODUCTION¹

The complaint asserts that the Friends of Jack Machek and Raymond Machek, as Treasurer ("Committee") failed to electronically file its April 2002 Quarterly Report ("Quarterly

¹ All of the facts relevant to these matters occurred prior to the effective date of the Bipartisan Campaign Reform Act ("BCRA"), Pub. L. No. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Federal Election Campaign Act of 1971, as amended ("Act"), codified at 2 U.S.C. §§ 431 *et seq.*, or statements of law regarding provisions of the Act contained herein referred to as the Act as it existed prior to the effective date of BCRA. Further, unless specifically noted to the contrary, a reference to Title 11 of the Code of Federal Regulations refers to the regulation as it existed prior to the implementation of BCRA, and as it appears in the 2002 edition of the Code of Federal Regulations.

Report") and 2002 12 day Pre-Primary Report ("Pre-Primary Report") in accordance with the regulations; and failed to accurately report loans totaling \$53,435 made by the Candidate to the Committee on its Quarterly and Pre-Primary Reports. In addition, the complaint asserts that the Candidate may have used funds other than personal funds to make loans to the Committee.

For the reasons set forth below, this Office recommends that the Commission: (1) find reason to believe that the Committee violated 2 U.S.C. §§ 433(b), (c) and 11 C.F.R. § 102.2(a)(2) by failing to file an amended Statement of Organization with the Commission but take no further action; (2) find no reason to believe that the Committee and its Treasurer violated 2 U.S.C. § 434(a)(11)(A)(i) and 11 C.F.R. §§ 104.18(a)(1)(i), (a)(1)(ii) in failing to electronically file its Quarterly and Pre-Primary Reports; (3) find reason to believe that the Committee violated 2 U.S.C. § 434(b)(3)(E) in failing to accurately report information on a loan made by the Candidate to the Committee on Schedule C of its Quarterly Report but take no further action; (4) find no reason to believe that the Candidate, Jack Machek, violated 2 U.S.C. § 441b by using funds from a source other than his personal funds to make loans totaling \$53,435 to the Committee; and (5) find no reason to believe that the Committee violated 2 U.S.C. § 441b(a) by accepting loan funds totaling \$53,435 from the Candidate, Jack Machek, that originated from a source other than the Candidate's personal funds; (6) find no reason to believe that the Candidate, Jack Machek, violated 2 U.S.C. § 441b(a) by using funds originating from a source other than his personal funds to make a loan totaling \$30,750 to the Committee; and (7) find no reason to believe that the Committee violated 2 U.S.C. § 441b(a) by accepting loan funds totaling \$30,750 from the Candidate, Jack Machek, that originated from a source other than the Candidate's personal funds.

1 **II. DISCUSSION**

2
3 **A. Complaint and Response**

4
5 The complaint in this matter alleges that the Committee, in Schedule C of its Quarterly
6 Report, included loans totaling \$53,435 made by the Candidate to the Committee but failed to
7 include the loan amount in its cash on hand balance in the Quarterly Report. The complaint
8 further alleges that the loan is not recorded in the summary of receipts nor does the Schedule C
9 list the exact date(s) that the loan was made by the Candidate. In addition, the complaint alleges
10 that the Committee, in its Pre-Primary Report, failed to include the loan amount of \$53,435 in its
11 cash on hand balance. According to the complaint, if the Committee had properly included the
12 loan in its cash on hand balance in its disclosure reports, its cash on hand balance would have
13 exceeded the \$50,000 threshold thereby triggering the electronic filing requirement pursuant to
14 11 C.F.R. § 104.18. The complaint asserts that the Committee's actions "prevented the
15 Candidate's primary opponents from knowing the full extent of his campaign's financial
16 resources."

17 The complaint also questions the source and legality of the loans, totaling \$83,965
18 (\$53,435 + \$ 30,750), made by the Candidate to the Committee. The complaint asserts that the
19 Candidate had limited personal financial resources and an unsuccessful record of political
20 fundraising.

21 In response, the Committee asserts that it was not required to electronically file these
22 reports since it did not meet or exceed the \$50,000 threshold amount in a calendar year as
23 required by 11 C.F.R. § 104.18. The Committee further asserts that the \$53,435 loan referred to
24 by the complaint occurred in the 2000 election cycle. According to the Committee, the loan was

24-04-407-4339

not repaid during the 2000 election cycle so the Committee continued to list the unpaid loan from the 2000 election cycle as an outstanding campaign expense. It is the Committee's position that, in calculating whether a committee will meet or exceed the \$50,000 threshold amount, it is not required to include nonfederal funds, cash on hand or outstanding debt at the beginning of the calendar year. The Committee, in support of its proposition, cites to page 2 of an FEC Filing Brochure. Therefore, the Committee asserts that it was not required to electronically file its Quarterly and Pre-Primary Reports since its cash on hand balances at those times did not meet or exceed the threshold amount.

The Committee did not specifically address the complaint allegation referring to its failure to accurately report the date(s) of the loan on Schedule C of its Quarterly Report or the allegation questioning the source and legality of the funds used by the Candidate to make the loan to the Committee. The Committee's response contained a general statement that the allegations are "frivolous, unsupportable by any reasonable interpretation of the law and facts of the matter and should be immediately dismissed with prejudice."²

² On February 7, 2004, this Office contacted the Committee's attorney of record, William Joseph, by certified mail to inquire as to whether the committee wanted to submit any additional documentation addressing the complaint contention that the Candidate did not use his own personal funds to make loans to the Committee. Attachment 9. Prior to that date, OGC counsel also spoke with the Candidate, Jack Machek, regarding the matter when we were unable to contact the attorney. Both parties were informed that the submission of any additional documentation was strictly voluntary and might aid in a more fully formed record. Mr. Joseph indicated that he would speak with his client regarding the matter. On February 17, 2004, the Candidate, Jack Machek, telephoned OGC counsel to inform that he had sent a sworn affidavit addressing this issue more fully. This Office received a copy of the affidavit by facsimile on February 26, 2004 and the original copy by Priority Mail on March 1, 2004. Attachment 10. The Candidate, in his affidavit, states that all money used to make loans to the Committee were from his personal funds, as defined by the Act and that he had more than enough personal assets to make the loans in question. *Id.* Mr. Machek also subsequently provided, as support for his assertion, a Financial Disclosure Statement submitted to the Clerk of the House of Representatives which lists his personal assets at a total of at least \$85,029 and no greater than \$575,000. Attachment 11.

B. Analysis

1. Statement of Organization

Based on the available evidence and the regulatory requirements, it appears that the Committee has violated 2 U.S.C. §§ 433(b), (c) and 11 C.F.R. § 102.2(a)(2) by failing to file an amended Statement of Organization, within the prescribed time period, when changing treasurers.³ The Committee's Statement of Organization, filed on January 10, 2000, reflects Keith Davis as the treasurer. Attachment 1. Keith Davis signed the 2000 12 day Pre-Primary Report and the April 2000 Quarterly Report. Attachments 2,3.⁴ Raymond Machek, as Assistant Treasurer, signed all reports after starting in May 2002 with the Primary Report. Attachments 7, 8. Raymond Machek is not listed on the Statement of Organization nor did the Committee file an amended Statement of Organization or letter with the Commission reflecting a change in treasurers. Attachment 1.

Committees are required to include the name and address of the Treasurer on its Statement of Organization. 2 U.S.C. § 433(b); 11 C.F.R. § 102.2(a)(1)(iv). In addition, committees are required to file either an amended Statement of Organization or a letter reflecting any changes to the original Statement or Organization within 10 days of the change.⁵ 2 U.S.C. § 433(b); 11 C.F.R. § 102.2(a)(2). The Committee failed to notify the Commission of the change. However, we are of the opinion that the most efficient use of the Commission's

³ The complaint did not assert that the Committee violated the statute and regulations by failing to file an amended Statement of Organization to reflect a change in treasurers. However, it came to our attention when determining the correct treasurer for the Committee since the Statement of Organization listed Keith Davis and the complaint listed Raymond Machek.

⁴ The Candidate, himself, signed the July 2000 Quarterly Report, the October 2000 Quarterly Report, the 2001 Mid-Year Report, and the January 2001 Year-End Report. Attachments 4, 5, 5a, 5b, 5c.

resources would be served by a Commission finding of reason to believe that a violation has occurred on the part of the Committee and its Treasurer but take no further action. Therefore, this Office recommends that the Commission find reason to believe that the Friends of Jack Machek and Raymond Machek, as Treasurer, violated 2 U.S.C. §§ 433(b), (c) and 11 C.F.R. §§ 102.2(a)(1)(iv), (a)(2) but take no further action.

2. Electronic Filing

Based on the available evidence and the regulatory requirements, it appears that the Committee did not exceed the \$50,000 threshold required for electronic filing under 11 C.F.R. § 104.18. The Explanation and Justification for 11 C.F.R. § 104.18 states that "cash on hand and outstanding debt existing at the beginning of the calendar year are not included in the threshold calculation." *Explanation and Justification* for 11 C.F.R. § 104.18 at 65 Fed. Reg. 38,417 (June 21, 2000). The calculation of the threshold takes into account only those contributions received or expenditures made, or expected to be received or made, within the calendar year. *Id.*

The Candidate loans to the Committee were made during the 2000 election cycle. Attachments 2-4. The Committee's disclosure reports indicate that the loan totaling \$52,485 was actually comprised of three separate loans. *Id.* The first loan totaling \$39,100 was incurred on 11/3/99; the second loan totaling \$7,085 was incurred 3/27/00; and the third loan totaling \$6,300 was incurred on 4/3/00. *Id.* The Committee made only one payment totaling \$220.00 on these loans and the \$52,265 balance (\$52,485 - \$220.00) remained outstanding in 2002 when the Candidate again sought election in a Congressional race. Attachments 4, 6.

⁵ See *Explanation and Justification* for 11 C.F.R. § 102.2 at 58 Fed. Reg. 42,172 (August 6, 1993).

24-04-407-4393

1 Since the Committee had not repaid the outstanding balance on the loans, it became an
2 outstanding campaign expense at the time of the 2002 election cycle. Section 104.11(a) requires
3 political committees to continuously report debts and obligations that remain outstanding on
4 separate schedules until extinguished. 11 C.F.R. § 104.18. In addition, the political committees
5 must include a statement explaining the circumstances under which the debt is incurred or
6 extinguished. *Id.* Therefore, the Committee continued to report the outstanding debt on its
7 subsequent disclosure reports. Attachment 5. The Committee, in its Quarterly Report, listed
8 outstanding Candidate loans totaling \$53,215. Attachment 6. In the same report, the Committee
9 listed an additional Candidate loan totaling \$950 that was made to the Committee between 4/1/02
10 and 4/30/02. *Id.* at p. 3. The addition of this loan would have brought the Committee's total
11 loans to \$53,215 (\$52,265 + \$950) which is the amount reflected on Schedule C of the
12 Committee's Amended Pre-Primary Report. Attachment 8.

13 Nevertheless, the Committee was not required to include the outstanding loan balance of
14 \$53,215 in the cash on hand balance of its Quarterly and Pre-Primary Reports since the debt
15 amount was outstanding from the previous election cycle and does not count towards the
16 threshold calculation. 11 C.F.R. § 104.18. The Committee's cash on hand balance for the
17 Quarterly Report was \$5,050 and the cash on hand balance for the Pre-Primary Report was
18 \$31,252.64. Attachments 2, 3. Since the Quarterly and Pre-Primary Reports indicate that the
19 Committee's cash on hand totals and expenditures did not exceed \$50,000, it was not required to
20 file these reports electronically. *Id.* Therefore, the Office of General Counsel recommends that
21 the Commission find no reason to believe that Friends of Jack Machek and Raymond Machek, as

its Treasurer, violated 11 C.F.R. § 104.18 in failing to electronically file its Quarterly and Pre-Primary Reports.

3. Accurate Reporting of Candidate Loan Information

Based on the available evidence, statutory and regulatory requirements, it appears that the Committee failed to accurately report loan information on its Quarterly and Pre-Primary Reports in violation of 2 U.S.C. § 434(b)(3)(E) and 11 C.F.R. 104.11(a). Section 434(b)(3)(E) states that each report filed pursuant to section 434 must include a "person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and date and amount or value of such loan." 2 U.S.C. § 434(b)(3)(E). In addition, section 104.11(a) requires committees to continuously report outstanding debts and obligations until extinguished on separate schedules along with a statement explaining the circumstances under which the loan was incurred or extinguished. 11 C.F.R. § 104.11(a). The Committee has continuously reported the outstanding loans on Schedule C of its reports since the loans were initially incurred. Attachments 5-8.

However, the complaint asserts that the Committee, in its Quarterly Report, failed to list the exact date(s) and amount(s) for any loans taken by the Committee. The Committee listed the loan incurrence dates as "various". Attachment 6. This Committee has confirmed that the Committee did provide the loan incurrence dates on previous disclosure reports as well as subsequent disclosure reports, thereby mitigating the seriousness of the apparent violation. Attachments 2-4. The Explanation and Justification for 11 C.F.R. § 104.11(b) states that "the new language clarifies that debts exceeding \$500 should be reported as of the date the debts are incurred. The previous language said "as of the date the debts are incurred" *Explanation and*

24-01-40-435

1 *Justification* for 11 C.F.R. § 104.11 at 55 Fed. Reg. 26,385 (June 27, 1989). Since sections
2 104.11(a) and (b) clearly require that a committee continuously disclose information such as the
3 loan incurrence dates for all outstanding loans exceeding \$500 and the Committee failed to do
4 so, the Committee has violated 2 U.S.C. § 434(b)(3)(E) and 11 C.F.R. § 104.11(a) and (b) by its
5 failure to list the specific loan incurrence dates in Schedule C of its Quarterly Report. However,
6 the Committee had previously accurately reported the loan incurrence dates on previous
7 disclosure reports, thereby mitigating the seriousness of the violation. Attachments 2-4.
8 Therefore, this Office recommends that the Commission find reason to believe that Friends of
9 Jack Machek and Raymond Machek, as Treasurer, violated 2 U.S.C. § 434(b)(3)(E) and
10 11 C.F.R. §§ 104.11(a) and (b) by failing to accurately disclose the loan incurrence dates in its
11 Quarterly Report but take no further action.

12 4. Source of Loan Funds

13 Based on the available evidence, statutory and regulatory requirements, it appears that the
14 Candidate did not use funds, other than his personal funds, to make loans to the Committee
15 totaling \$53,435 (\$39,100 + \$7,085 + \$6,300 + \$950) in violation of 2 U.S.C. §§ 441a(a) or
16 441b. The Federal Election Campaign Act of 1971 ("Act") does not allow the making of
17 excessive or prohibited contributions to candidates and committees. 2 U.S.C. § 441a(a) or
18 441b(a). In addition, candidates and committees are not allowed to accept excessive or
19 prohibited contributions. 2 U.S.C. §§ 441b(a), 441a(f). Sections 100.7(a)(1)(i) and 104.3(d)
20 require that when a committee reports receiving a loan from the candidate, it is necessary to
21 clarify whether or not the candidate used personal funds, or borrowed money from a lending
22 institution or some other source. 11 C.F.R. §§ 100.7(a)(1)(i), 104.3(d). Candidates may make

1 unlimited expenditures from personal funds on behalf of their committees. 11 C.F.R.
2 § 110.10(a). Personal funds include assets in which the candidate has a legal or equitable
3 interest, salary and other earned income from bona fide employment, dividends and proceeds
4 from the sale of candidate's stock or other investments. 11 C.F.R. § 110.10(b).

5 The complaint questions the legality and source of two loans, totaling \$53,435 and
6 \$30,750 made by the Candidate to the Committee. As previously discussed at page 6 of this
7 Report, the \$53,435 loan total consisted of four separate loans made by the Candidate to the
8 Committee during the 2000 and 2002 election cycles. The complaint does not specify a
9 particular source of the funds, whether excessive or prohibited, only that the Candidate did not
10 have the personal resources or fundraising ability to provide the funds for these loans. The
11 Committee's initial response to the complaint did not specifically address this particular
12 allegation. Therefore, this Office provided the Committee with an opportunity to submit an
13 additional statement and other documentation addressing this allegation. Attachment 9. The
14 Candidate submitted a sworn affidavit on February 26, 2004 addressing the allegation regarding
15 the source of the loan funds. Attachment 10.

16 The Candidate's affidavit states that, on March 31, 2000, he submitted the required
17 Financial Disclosure Statement ("Disclosure Statement") to the Clerk of the House of
18 Representatives upon becoming a Congressional candidate in the year 2000. Attachment 10. In
19 that Disclosure Statement, he listed "all personal assets within a range of values for each specific
20 holding which ranged from \$85,029 to \$575,000." *Id.* The Candidate further adds that the
21 "Financial Disclosure Statement was filed after some assets were already sold and some loans
22 already made and thus did not include all of his original holdings." *Id.* In addition, the Candidate

1 notes that he filed a letter with RAD on December 5, 2000 affirmatively stating that all loans by
2 him to the Committee were from personal funds.⁶ *Id.* The Candidate did not submit a copy of
3 the Disclosure Statement along with its sworn affidavit but subsequently provided a copy of the
4 Disclosure Statement.⁷ Attachment 11. The Disclosure Statement confirms that the Candidate
5 listed the values of each category of his personal assets. *Id.* The Disclosure Statement lists the
6 Candidate's asset at a range of \$85,029 - \$575,000. *Id.*

7 For the reasons discussed below, this Office recommends that the Commission find no
8 reason to believe that the respondents in this MUR violated 2 U.S.C. §§ 441a(f) or 441b(a). In
9 their Statement of Reasons in MUR 4960 (Hillary Rodham Clinton for U.S. Senate Exploratory
10 Committee, issued December 21, 2000), four Commissioners stated, "Absent personal
11 knowledge, the Complainant, at a minimum, should have made a sufficiently specific allegation
12 ... so as to warrant a focused investigation that can prove or disprove the charge." *See* MUR
13 5304, First General Counsel's Report, p. 8. In their Statement of Reasons in MUR 5141 (Moran
14 for Congress, issued March 11, 2002), six Commissioners stated that a complaint may provide a
15 basis for reason to believe findings if it alleges "sufficient specific facts" that, if proven would
16 constitute a violation of the Act. *Id.* The Commissioners also stated, however, that
17 "[u]nwarranted legal conclusions from asserted facts ... or more speculation, ... will not be
18 accepted as true" and that "a complaint may be dismissed if it consists of factual allegations that

⁶ A copy of the December 5, 2000 letter is attached to the Candidate's sworn affidavit. Attachment 10.

⁷ We attempted to obtain a copy of the Disclosure Statement from the Clerk of the House of Representatives but its financial disclosure records are purged one year after filing. Since the Disclosure Statement was filed on 3/31/00, the Clerk's Office has already purged this particular statement from its records.

1 are refuted by sufficiently compelling evidence produced in responses to complaint." *See also*
2 MUR 5304, First General Counsel's Report, p. 8.

3 The only facts provided by the Complainant, derived from public disclosure records,
4 show a series of loans made by the Candidate to the Committee during the 2000 and 2002
5 election cycles. Complainant speculates that the Candidate could not have used his own personal
6 funds because he did not have the personal resources nor were his previous fundraising efforts
7 successful. However, Complainant does not provide any indication as to a possible source of the
8 funds used by the Candidate to make loans to the Committee. In addition, the responses
9 specifically deny that the Candidate used funds, other than his own personal funds, to make loans
10 to the Committee and provided documentation to support his assertion that he did have the
11 personal resources to make the loans at issue. Therefore, this Office recommends that the
12 Commission find no reason to believe that the Candidate, Jack Machek, used funds other than his
13 personal funds to make loans to the Friends of Jack Machek totaling \$53,435 in violation of
14 2 U.S.C. §§ 441a(a) or 441b(a). In addition, this Office recommends that the Commission find
15 no reason to believe that the Friends of Jack Machek accepted loan funds totaling \$53,435 from
16 the Candidate, Jack Machek, that originated from sources other than his own personal funds in
17 violation of 2 U.S.C. §§ 441a(f) or 441b(a).

18 As to the allegation involving the loan totaling \$30,750 made by the Candidate to the
19 Committee, we previously discussed on page 8 of this report that the Committee initially
20 reported a loan from the Candidate totaling \$30,750 incurred on July 20, 2002 on its Pre-Primary

1 Report that was incurred on July 20, 2002.⁸ Attachment 9. However, the Committee filed an
2 amended Pre-Primary Report on September 19, 2002 disclosing a loan from the Candidate
3 totaling \$13,250 and incurred on April 30, 2002, and made no further mention of the \$30,750
4 loan in any of its disclosure reports. Attachment 10. The complaint does not contain any
5 allegations regarding the \$13,250 loan disclosed in the amended Pre-Primary Report. Although
6 the Committee did not specifically respond to the allegation involving the \$30,750 loan,
7 Complainant does not provide any factual details to support its assertion that the Candidate used
8 funds, other than his own, to make this loan to the Committee. It appears that Complainant
9 speculates that the Candidate must have used funds, other than his own, to make the loan to the
10 Committee since he did not have the personal resources or the ability to raise funds sufficient to
11 make such a loan. Complainant does not provide any indication of the alleged true source of the
12 loan funds. Without information tending to show that funds, other than personal funds, were
13 used by the Candidate to make the loan to the Committee, the allegation appears to be mere
14 speculation and conjecture. See MUR 4960 (Hillary Rodham Clinton for U.S. Senate
15 Exploratory Committee)(purely speculative charges do not form an adequate basis to find reason
16 to believe that a violation of the Act has occurred). Accordingly, this Office recommends that
17 the Commission find no reason to believe that Friends of Jack Machek Committee and Raymond
18 Machek, as Treasurer, violated 2 U.S.C. §§ 441a(f) or 441b(a).

⁸ The Committee initially filed its Pre-Primary Report noting the \$30,750 loan on May 20, 2002. The complaint was filed on May 30, 2002 and the Committee filed its amended Pre-Primary Report on September 19, 2002, after the complaint was filed.

1 **III. RECOMMENDATIONS**


- 2 1. Find reason to believe that Friends of Jack Machek and Raymond Machek, as
3 Treasurer, violated 2 U.S.C. §§ 433(b), (c) and 11 C.F.R. § 102.2(a)(2) in failing
4 to file an amended Statement of Organization but take no further action;
5
6 2. Find no reason to believe that Friends of Jack Machek and Raymond Machek, as
7 Treasurer, violated 2 U.S.C. § 434(a)(11)(A)(i) and 11 C.F.R. §§ 104.18(a)(1)(ii)
8 in failing to electronically file its April 2000 Quarterly Report and 2002 12 Pre-
9 Primary Report;
10
11 3. Find reason to believe that Friends of Jack Machek and Raymond Machek, as
12 Treasurer, violated 2 U.S.C. § 434(b)(3)(E) and 11 C.F.R. § 104.11(a) in failing to
13 accurately report information on a loan totaling \$53,435 on Schedule C of its
14 April 2002 Quarterly Report but take no further action;
15
16 4. Find no reason to believe that Friends of Jack Machek and Raymond Machek, as
17 Treasurer, violated 2 U.S.C. §§ 441a(f) or 441b(a) by accepting loan funds
18 totaling \$53,435 from the Candidate, Jack Machek that originated from a source
19 other than the Candidate's personal funds;
20
21 5. Find no reason to believe that the Candidate, Jack Machek, violated 2 U.S.C.
22 §§ 441a(a) or 441b(a) by using funds originating from a source other than his
23 personal funds to make loans totaling \$53,435 to Friends of Jack Machek;
24
25 6. Find no reason to believe that the Friends of Jack Machek and Raymond Machek,
26 as Treasurer, violated 2 U.S.C. §§ 441a(f) or 441b(a) by accepting loan funds
27 totaling \$30,750 from the Candidate, Jack Machek, that originated from a source
28 other than the Candidate's personal funds;
29
30 7. Find no reason to believe that the Candidate, Jack Machek, violated 2 U.S.C.
31 §§ 441a(a) or 441b(a) by using funds originating from a source other than his
32 personal funds to make a loan totaling \$30,750 to Friends of Jack Machek;
33
34 8. Approve the appropriate letters; and
35
36 9. Close the file.
37
38
39
40
41
42

Lawrence H. Norton
General Counsel

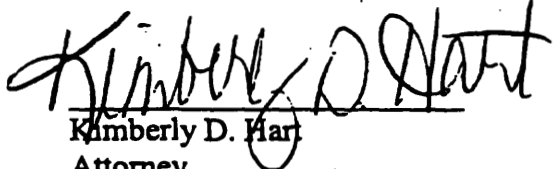
Date

5/26/07

BY:


Rhonda J. Vosdinger
Associate General Counsel
For Enforcement


Sidney Rocke
Assistant General Counsel


Kimberly D. Hart
Attorney

Attachments

1. Statement of Organization for Friends of Jack Machek
2. 2000 12 day Pre-Primary Report for Friends of Jack Machek
3. April 2000 Quarterly Report for Friends of Jack Machek
4. July 2000 Quarterly Report for Friends of Jack Machek
5. October 2000 Quarterly Report, January 2000 Year-End Report, July 2001 Mid-Year Election Report (Non-Election Year), and January 2001 Year End Report
6. April 2002 Quarterly Report for Friends of Jack Machek
7. 2002 12 day Pre-Primary Report for Friends of Jack Machek
8. Amended 2002 12 day Pre-Primary Report for Friends of Jack Machek
9. Certified Letter to William Joseph, counsel for Friends of Jack Machek dated January 29, 2004
10. Sworn affidavit from Jack Machek dated February 27, 2004
11. House of Representatives Financial Disclosure Statement for Jack Machek dated March 31, 2000